



1Q 2004 Results Announcement

27 April, 2004

Scope of Briefing

- ◆ Group Financial Highlights
- ◆ Business Review & Outlook

Group Financial Highlights

1Q 2004 Performance

- ◆ PATMI of S\$132m, up 40% from 1Q 2003
- ◆ EPS of 17.0cts, up 39% from 1Q 2003
- ◆ Annualised ROE hit 14.2%
- ◆ Free cash flow of S\$76m
- ◆ Gearing dropped to 0.72x
- ◆ Announced divestment of S\$155m of non-core assets
- ◆ EVA improved by S\$57m over 1Q 2003
- ◆ New orders secured of S\$905m for Offshore & Marine division and S\$80m for Infrastructure division

Earnings & EPS Growth

(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	896	1,744	(49)
EBITDA	147	175	(16)
Operating Profit	109	121	(10)
Profit Before Tax	148	132	12
PATMI	132	94	40
PATMI (excl. deferred tax adjustment)	118	94	26
EPS (cents)	17.0	12.2	39

Strong PATMI and EPS growth

Capital/Gearing/ROE

(S\$m)	<u>31 Mar 2004</u>	<u>31 Dec 2003</u>
Shareholders' Funds	3,024	2,890
Capital Employed	4,109	3,959
Net Debt	2,959	3,040
Net Gearing	0.72x	0.77x
ROE	14.2%*	14.1%

Continued improvement in ROE & Gearing

Free Cash Flow

	<u>1Q 2004</u> S\$m
Cash flow from operating activities	
Operating profit	109
Depreciation & amortisation	27
Working capital changes	(98)
Interest & tax paid	(8)
Net cash from operating activities	30
Operational capex	(1)
Proceeds from divestments	38
Dividend income	9
Net cash from investing activities	46
Free Cash Flow	76

Turnover by Segments

(S\$m)

	<u>1Q 2004</u>	<u>%</u>	<u>1Q 2003</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	547	61	393	23	39
Property	139	15	170	10	(18)
Infrastructure	187	21	183	10	2
Sub Total	873	97	746	43	17
Investments	23	3	998	57	(98)
Total	896	100	1,744	100	(49)

Core businesses turnover rose. Deconsolidation of SPC reduced Investments turnover.

Turnover by Customers

1Q 2004

	<u>Total</u> S\$m	<u>Overseas</u> %	<u>Singapore</u> %
Offshore & Marine	547	89	11
Property	139	31	69
Infrastructure	187	59	41
Sub total	873	74	26
Investments	23	48	52
Total	896	73	27

74% of core businesses turnover came from overseas customers

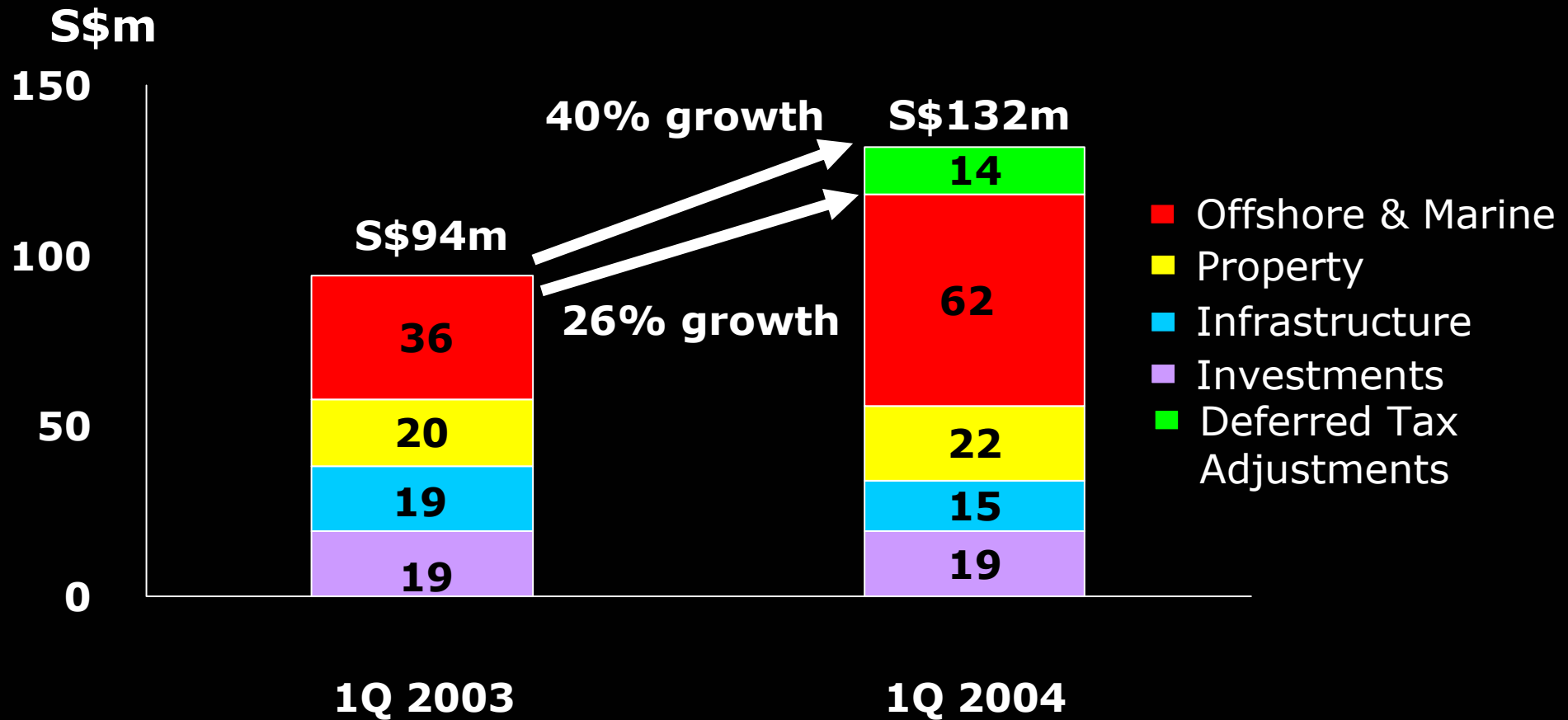
EBITDA by Segments

(S\$m)

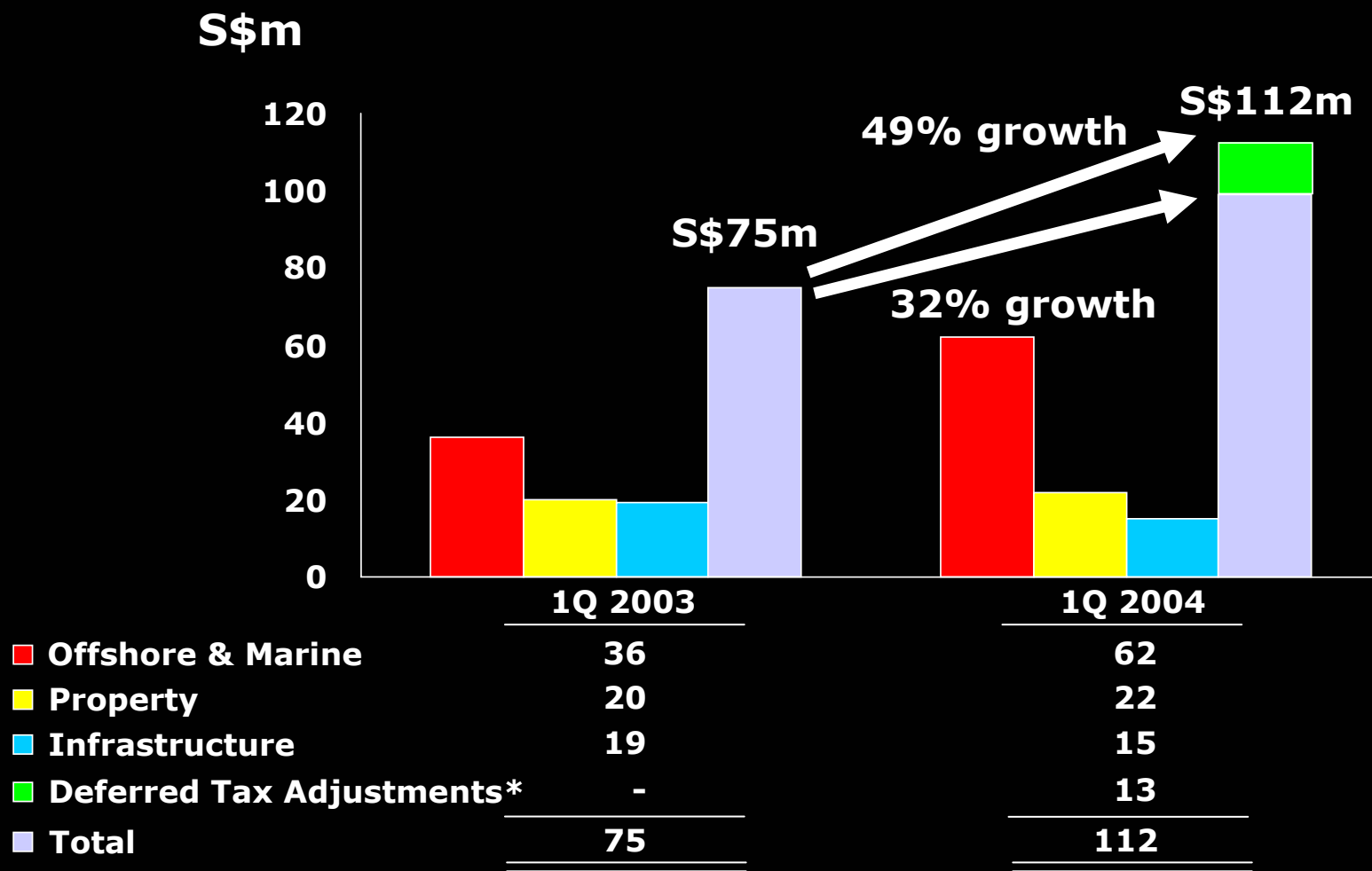
	<u>1Q 2004</u>	<u>%</u>	<u>1Q 2003</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	82	56	65	37	26
Property	37	25	44	25	(16)
Infrastructure	27	18	33	19	(18)
Sub Total	146	99	142	81	3
Investments	1	1	33	19	(97)
Total	147	100	175	100	(16)

Cashflow of core businesses continues to improve

PATMI By Segments



Core Businesses' PATMI Growth

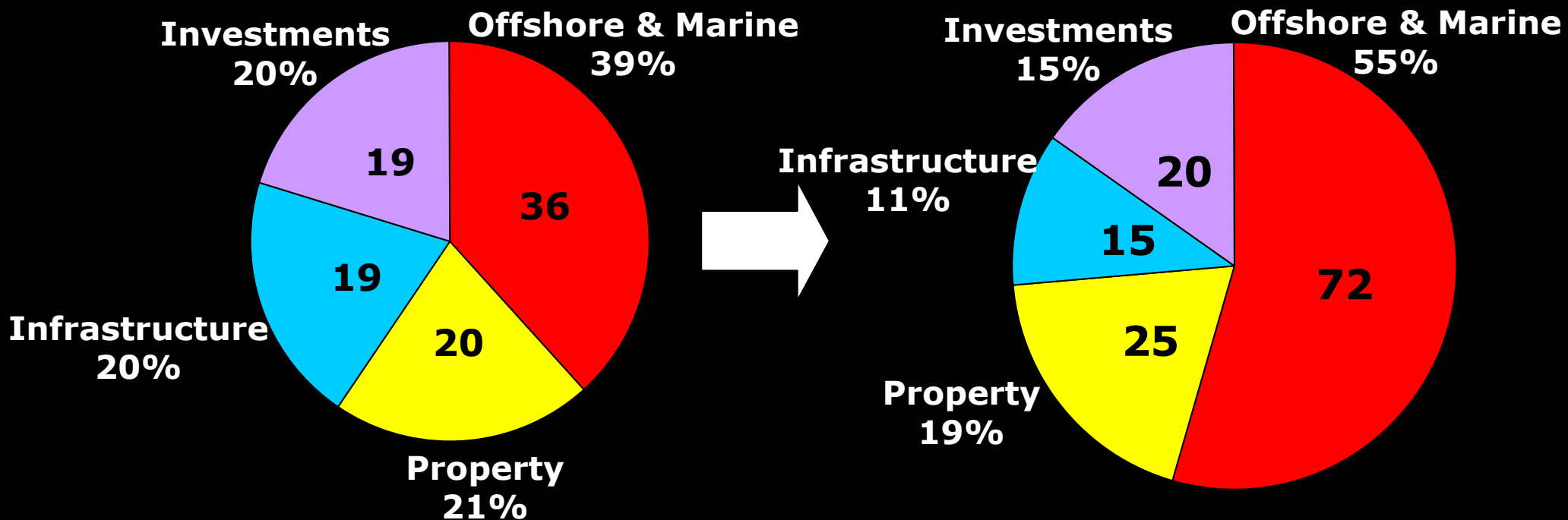


* 1Q 2004 PATMI includes deferred tax adjustments of S\$10m in Offshore & Marine and S\$3m in Property

Our Profit Mix

1Q 2003 PATMI (S\$m)

1Q 2004 PATMI (S\$m)

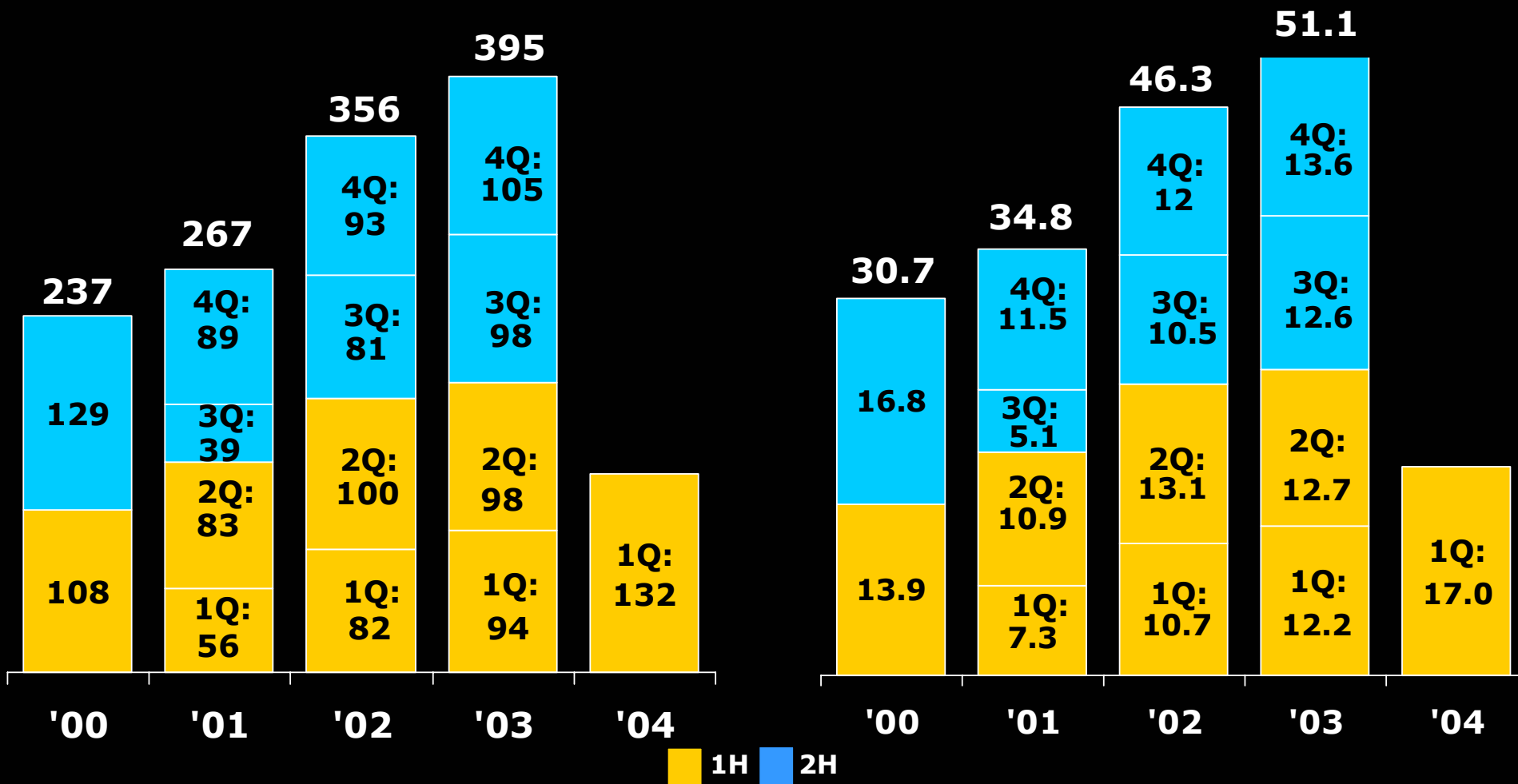


Note: 1Q 2004 PATMI includes deferred tax adjustments of S\$10m in Offshore & Marine, S\$3m in Property and S\$1m in Investments

5-year PATMI & EPS

PATMI (S\$m)

EPS (Cents)



Business Review & Outlook

Financial Highlights – Offshore & Marine

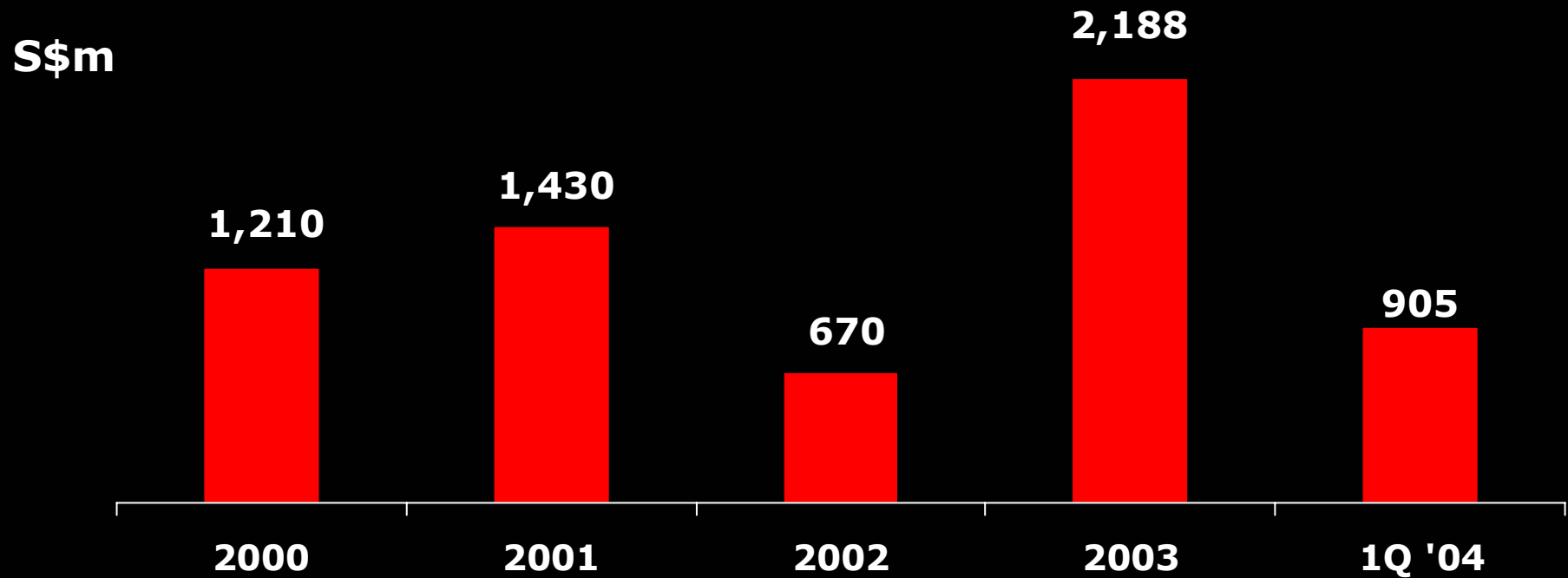
(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	547	393	39
EBITDA	82	65	26
Operating Profit	68	49	39
Profit Before Tax	70	48	46
PATMI	72	36	100
PATMI (excl. deferred tax adjustments)	62	36	72

Strong PATMI growth

Offshore & Marine Review

- ◆ S\$905m contracts secured in 1Q 2004:
 - 3 jack-ups, 6 AHTs, 4 Tugs, integration/commissioning of 1 FPSO, 1 jack-up upgrade, 1 semi upgrade, 1 floating dock upgrade, 1 FPSO conversion & 1 derrick barge upgrade
- ◆ Major contract completions in 1Q 2004:
 - 1 jack-up, 1 FPSO topsides, 2 FPSO conversions, 1 jack-up upgrade, 4 tugs & 1 AHT
- ◆ S\$22m net gain from the disposal of ENSCO 102 jack-up

Offshore & Marine Contracts Secured



Offshore fundamentals remain strong

Offshore & Marine Orderbook

	<u>S\$m</u>		<u>Clients</u>
	<u>Contract Value</u>	<u>Balance Order</u>	
<u>For delivery in 2004</u>			
1 Jack-up Upgrade / 1 Spar Platform / 1 Processing Platform	161	38	Ensco / Pride / Petrovietnam
2 FPSO Conversions / 2 Semi Upgrades	99	51	Halliburton / Teekay / Diamond Offshore / Stena Offshore
8 AHTS / 4 Tugs / 1 Support Vessel Refit / 1 Floating Dock Upgrade / 1 Derrick Barge Upgrade/ Compressor Modules	266	99	Delba Maritima / Pacific Richfield / CH Offshore / Hadi Hammam / Keppel Smit / RFA / BP / Saipem / Dresser Rand
<u>For delivery in 2005</u>			
2 Jack-ups / 1 Semi Modification / 2 PSVs / 9 AHTS	807	649	BP / NDC / Boeing / Maersk / Gulfmark Offshore / Hadi Hammam / Bourbon / Smit
<u>For delivery in 2006</u>			
3 Jack-ups / 1 AHTS	614	614	Skeie / Ensco / Odfjell / Bourbon
<u>For delivery in 2007</u>			
1 Semi	1,073	1,073	Petrobras
TOTAL as at 31 Mar 2004	<u>S\$3.0b</u>	<u>S\$2.5b</u>	

Offshore & Marine Outlook

Offshore / FPSO Conversions

- ◆ Oil prices expected to remain firm
- ◆ Worldwide E&P spending forecast to rise by 6% in 2004
- ◆ Favourable market conditions in jack-up market
- ◆ Active enquiries for FPSO conversions

Offshore & Marine Outlook

Shiprepair / Shipbuilding

- ◆ High level of offshore activities resulted in greater demand for AHTs/supply vessels; orders picked up in 1Q 2004
- ◆ Shiprepair activities have risen slightly in 1Q 2004

Offshore & Marine Job Prospects

Contracts currently being pursued:

<u>Products/Services</u>	<u>Estimated Value</u> S\$b
Jack-ups (Newbuildings/Repairs/Upgrading)	1.9
Semi-submersibles (Newbuildings/Repairs/Upgrading)	1.5
FPSOs (Conversions/Upgrades)	0.9
Shipbuilding (AHTS/Tugs/Barges)	0.7
Platforms/TLPs/Topsides/Turrets etc.	0.5
Total	5.5

Financial Highlights - Property

(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	139	170	(18)
EBITDA	37	44	(16)
Operating Profit	34	40	(15)
Profit Before Tax	39	38	3
PATMI	25	20	25
PATMI (excl. deferred tax adjustments)	22	20	10

Property Review & Outlook

Overseas

- ◆ Focus on developing residential projects and townships in countries that experience high economic growth
- ◆ First block (85 units) of 8 Park Avenue fully sold
- ◆ Residential launches in Shanghai, Beijing, Chengdu, Bangkok and Ho Chi Minh City in 2004

Singapore

- ◆ Several residential launches planned for 2004
- ◆ Continue efforts to divest investment properties

Financial Highlights – Infrastructure

(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	187	183	2
EBITDA	27	33	(18)
Operating Profit	11	14	(21)
Profit Before Tax	15	15	-
PATMI	15	19	(21)

Intensifying efforts to grow Infrastructure division

Infrastructure

Utilities Engineering : Review & Outlook

- ◆ Contribution expected from Jawa Power from 2005
- ◆ S\$50m new contracts secured in 1Q 2004
- ◆ S\$720m order book for delivery between 2004 and 2009
- ◆ Pursuing S\$900m new contracts

Infrastructure

Network Engineering : Review & Outlook

- ◆ Expect modest improvement in market conditions
- ◆ S\$30m new contracts secured in 1Q 2004
- ◆ Pursuing S\$70m new contracts

Infrastructure

Order Book & Job Prospects

	<u>S\$m</u>	
	<u>Order Book</u>	<u>Job Prospects</u>
Utilities Engineering	720	900
Network Engineering	45	70
Total	<u>765</u>	<u>970</u>

Financial Highlights - Investments

(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	23	998	(98)
EBITDA	1	33	(97)
Operating Profit	(4)	18	(122)
Profit Before Tax	24	31	(23)
PATMI	20	19	5
PATMI (excl. deferred tax adjustments)	19	19	-

PATMI maintained despite partial divestment of SPC

Divestments

- ◆ Sale of the entire shipping fleet
- ◆ Will continue to extract maximum value from divestments

Financial Targets for 2004/05

- ✓ Sustained growth in core businesses
- ✓ EPS CAGR of 8-12% through 2005
- ✓ Achieve ROE of 12-15%
- ✓ Continued EVA improvement
- ✓ Maintain dividend payout ratio of 30-35%
- ✓ Continued investment in core businesses and divestment of non-core businesses

Keppel Corporation 1Q 2004 Results

**Thank You
Q&A**

Additional Info

PATMI by Segments

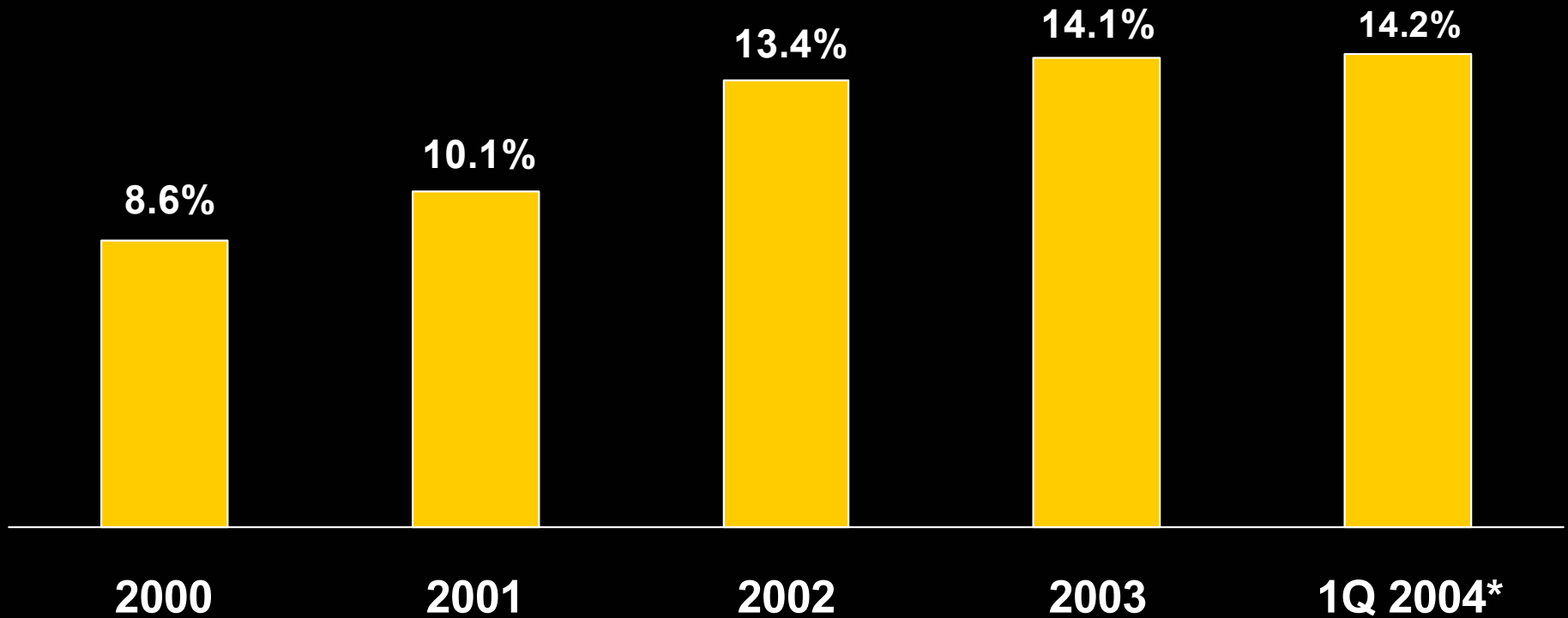
(S\$m)

	<u>1Q 2004</u>	<u>%</u>	<u>1Q 2003</u>	<u>%</u>	<u>% Change</u>
Offshore & Marine	72	55	36	39	100
Property	25	19	20	21	25
Infrastructure	15	11	19	20	(21)
Sub Total	112	85	75	80	49
Investments	20	15	19	20	5
Total*	132	100	94	100	40

Offshore & Marine contributed most to core businesses' PATMI increase

* 1Q 2004 PATMI includes deferred tax adjustments of S\$10m in Offshore & Marine, S\$3m in Property and S\$1m in Investments

5-year ROE



* Annualised ROE

Infrastructure

Utilities Engineering : Financial Highlights

(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	159	146	9
EBITDA	25	33	(24)
Operating Profit	10	15	(33)
Profit Before Tax	15	16	(6)
PATMI	14	21	(33)

Infrastructure

Network Engineering : Financial Highlights

(S\$m)	<u>1Q 2004</u>	<u>1Q 2003</u>	<u>% Change</u>
Turnover	28	37	(24)
EBITDA	2	-	NM
Operating Profit	1	(1)	NM
Profit Before Tax	-	(1)	NM
PATMI	1	(2)	NM